

SOUTHERN ENVIRONMENTAL LAW CENTER

Telephone 843-720-5270

525 EAST BAY STREET, SUITE 200
CHARLESTON, SC 29403-6655

Facsimile 843-414-7039

May 22, 2020

Via Electronic Filing

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, SC 29210

Re: Docket No. 2020-106-A – Actions in Response to COVID-19 - Office of Regulatory Staff's Motion to Solicit Comments from Utilities and Other Interested Stakeholders Regarding Measures to Be Taken to Mitigate Impacts of COVID-19 on Utility Customers and Require Recordkeeping

Dear Ms. Boyd,

Pursuant to Order Nos. 2020-372, 2020-40-H and 2020-41-H and the Revised Notice of Virtual Forum issued in the above-referenced docket, the South Carolina State Conference of the NAACP, South Carolina Coastal Conservation League, Southern Alliance for Clean Energy and Upstate Forever respectfully submit these comments regarding measures to be taken to mitigate the impacts of the 2019 novel Coronavirus ("COVID-19") on utility customers, and related matters, and notify the Commission that they wish to participate in the May 27, 2020 virtual forum, through undersigned counsel.

We wish to highlight recommendations on the following topics for consideration by the Commission, utilities, Office of Regulatory Staff ("ORS") and others participating in the forum:

- 1) Disconnections, data collection and arrearage management;
- 2) Near-term options for electric utilities to adjust their energy efficiency ("EE") programs to continue delivering critical bill relief to customers, while protecting the health and safety of customers, utility employees and contractors; and
- 3) The importance of comprehensive EE programs, particularly for low-income customers, to mitigate the long-term economic impacts of the pandemic.

Background

On May 8, 2020, ORS filed a motion requesting that the Commission require utilities to track the cost, revenue shortfall and savings impacts of COVID-19 and solicit input from utilities regarding measures that should be taken to mitigate the negative impacts of COVID-19 for customers and utilities. In its motion, ORS pointed out that the skyrocketing unemployment rate as a result of the pandemic has created economic hardships for many South Carolinians. ORS asked the Commission to solicit and accept comments regarding whether modifications to utility practices or other opportunities exist that could assist utilities and their customers as South Carolinians collectively work to counteract the impacts of COVID-19.

By letter dated May 13, 2020, Governor McMaster asked ORS Director Edwards to relay his request that “providers of utility services proceed with developing and implementing plans for phasing in normal business operations, while also working with their customers and ratepayers who need assistance to refer them to local organizations or arrange payment plans that will avoid or minimize penalties and service interruptions.” ORS Director Edwards relayed Governor McMaster’s request in a letter filed with the Commission on the same date.

In response, the Commission issued Order No. 2020-374, which, among other things, vacated the provision of Order No. 2020-228 that directed all regulated utilities to suspend disconnection of service during the COVID-19 State of Emergency.

In Order Nos. 2020-372, 2020-40-H and 2020-41-H, the Commission ruled on ORS’ May 8 motion, and solicited comments regarding measures to be taken to mitigate impacts of COVID-19 on utility customers, and related matters.

Recommendations

In its May 8 motion, ORS listed several potential practices and opportunities to mitigate the impacts of COVID-19. We strongly support ORS’ recommendation “that utilities increase their efforts to communicate with their customers regarding any applicable safety net provisions that may assist residential and non-residential customers to ensure access to low income bill payment assistance, weatherization or other energy efficiency programs and any other resources available to help consumers pay arrearages, reduce bills and maintain service through the COVID-19 financial crisis” including “referrals to community action resources and an exploration of advantageous tariff options.” In addition, we recommend that the Commission and the utilities consider the following recommendations.

1. Recommendations related to disconnections, data collection and arrearage management.

It was premature for the Commission to allow the utilities to resume disconnections, and we respectfully request that the Commission revisit its decision. We note that Governor McMaster’s May 13, 2020, letter did not request that utilities immediately return to normal business operations, including a resumption of disconnecting customers for non-payment. Rather, the Governor asked ORS to relay his request that “providers of utility services *proceed with developing and implementing plans for phasing in normal business operations . . .*” (Emphasis

added.) Importantly, the Governor also stated that utilities should undertake this process “while also working with their customers and ratepayers who need assistance to refer them to local organizations or arrange payment plans that will avoid or minimize penalties and service interruptions.”

The recent COVID-19 policy resolution issued by the National Association of State Utility Customer Advocates (“NASUCA”), includes the following recommendations aimed at mitigating the impacts on customers of the current crisis:

- “Every effort must be made to ensure that universal access to and affordability of utility services are not diminished during this public health and economic crisis;”
- “States, utilities and other service agencies should work together to communicate with utility consumers to ensure access to low income bill payment assistance, weatherization or other energy efficiency programs and any other resources available to help consumers pay arrearages, reduce bills and maintain service;”
- “State public utility commissions should revisit utility tariffs and other terms and conditions applicable to disconnections, reconnections, late payment penalties and deposits in proceedings to address the economic impacts upon consumers of the ongoing economic crisis and to adopt policies applicable after the crisis ends to protect continued access to vital utility services by providing more time for repayment of past due amounts and reducing the burden of collection-related charges on consumers;” and
- “States should consider adopting or strengthening bill payment assistance programs such as discounted rates, Percentage of Income Payment Plans (PIPPs) and arrearage management or arrearage reduction programs.”¹

The NASUCA COVID-19 policy resolution also calls for better and standardized reporting of arrearages and other data, referencing a 2018 NASUCA resolution that urged states to gather uniform statistical data on billings, arrearages and disconnections for nonpayment.² Gathering these data by zip code (or other relatively granular geographic unit) is important for assessing energy affordability and equity. Some national and regional data sets—including for the Southeast region—show disparities by race in disconnections and other important energy security metrics, even after controlling for income. Geographically granular data will also assist the utilities in targeting effective energy-efficiency programs and other low-income assistance.

¹ NASUCA Resolution 2020-01, NASUCA Recommendations Concerning the Effects of the Public Health and Economic Crises Resulting from COVID-19 upon Utility Rates and Services Provided to Consumers by Public Utilities, <https://www.nasuca.org/nwp/wp-content/uploads/2020/05/2020-01-NASUCA-COVID-19-Policy-Resolution-Final-5-12-20-.pdf>

² NASUCA Resolution 2018-04, URGING STATES TO DIRECT NATURAL GAS AND ELECTRIC UTILITIES TO COLLECT AND POST ON THE PUBLIC UTILITY COMMISSION WEBSITE UNIFORM TIME SERIES STATISTICAL DATA ON RESIDENTIAL BILLINGS, COLLECTIONS, ARREARAGES AND DISCONNECTIONS FOR NONPAYMENT, <https://www.nasuca.org/nwp/wp-content/uploads/2018/01/2018-04-NASUCA-Data-Collection-Resolution-Final-11-11-2018.pdf>

To help ensure home energy security for low-income residents, John Howat of the National Consumer Law Center recommends an electricity affordability program that:

- Serves all residential electricity customers eligible to participate in the Low Income Home Energy Assistance Program (“LIHEAP”);
- Lowers program participants’ electricity burdens to an affordable level;
- Promotes regular, timely payment of electric bills by program participants;
- Comprehensively addresses payment problems associated with program participants’ current and past-due bills;
- Is funded through a mechanism that is reliable while providing sufficient resources to meet policy objectives over an extended timeframe; and
- Is administered efficiently and effectively.³

Finally, we also strongly support ORS’ recommendation that the Commission require utilities to track costs, revenue impacts and savings related to COVID-19 and file the findings with the Commission on a quarterly basis.

2. Near-term options for electric utilities to adjust their energy efficiency (“EE”) programs to continue delivering critical bill relief to customers, while protecting the health and safety of customers, utility employees and contractors.

As the American Council for an Energy Efficient Economy (“ACEEE”) recently observed, residential electric usage has increased due to people staying home, and usage is poised to rise even as summer heat leads us to turn on the air conditioning. While suspension of disconnections, bill payment assistance and arrearage management plans are critically important, energy efficiency programs offer a proven solution for households struggling to pay their electricity bills.⁴

For health and safety reasons, some South Carolina utilities have suspended certain efficiency programs that require in-home visits. Program adjustments and other creative solutions could allow utilities to continue delivering much-needed energy saving programs to South Carolina households while protecting the health and safety of utility staff, contractors and their customers.⁵

Examples presented by ACEEE and other efficiency leaders of program “pivots” in light of COVID-19 include the following:

³ John Howat, National Consumer Law Center®, Electric Service Discount and Arrearage Management Program Design Template (April 2020), https://www.nclc.org/images/pdf/special_projects/covid-19/WP_Program_Design_Template.pdf

⁴ American Council for an Energy Efficient Economy, “A perfect storm? COVID-19 cuts incomes and hikes home energy bills” (May 15, 2020), <https://www.aceee.org/blog-post/2020/05/perfect-storm-covid-19-cuts-incomes-and-hikes-home-energy-bills>

⁵ We recognize that some of these topics are under discussion in utility stakeholder processes, and that program administrators are working hard to develop solutions.

- While home energy audits are suspended, virtual audits allow an energy professional to “walk through” a home over the phone or via the internet to identify potential energy-saving measures.
- Program implementers can use alternative means of delivering energy-saving measures to customers:
 - Eversource Connecticut sends a package to all customers participating in their virtual pre-assessment home walkthrough. In addition to educational material, the package includes LED bulbs and advanced power strips that customers can install themselves.
 - TVA has mailed customers its EnergyRight Energy Monsters kit, which provides energy-saving programming and activities for children and energy-saving tips for parents.
 - An alternative to customer outreach via neighborhood events is a “touchless” door-to-door effort, in which utility contractors leave a package of energy-saving products and a door hanger with information about upcoming programs.
- Other program implementers are offering direct communication and support over the phone, where they provide information on saving energy and direct customers to additional resources.
- After JEA halted its Low Income Neighborhood Energy Efficiency Program on March 15, the utility compiled a list of customers in eligible census tract neighborhoods and their electricity consumption for the past 14 months. JEA sorted the lists by consumption and developed different scripts to use for customer outreach and support. Each script includes a brief virtual energy audit and ends with information on JEA programs that will restart following COVID.
- Some implementers of low-income EE programs are preparing to restart, or have restarted, normal program operations with additional personal protective equipment and health and safety measures.⁶ Such an approach would be consistent with Governor McMaster’s request that utilities begin planning a return to normal business operations.

Finally, utilities should plan to roll over any unspent EE program funds to use once programming resumes. They should also seek innovative opportunities to advance their savings goals. This could include reaching out to owners of vacant or under-used commercial buildings to offer efficiency analysis and upgrades. In addition, some of the areas into which Dominion Energy South Carolina EE programs are expanding or offering new measures—agriculture, hospitality, and food service—may offer seasonal or COVID-specific opportunities for efficiency improvements that are not impeded or are even enabled by the pause in occupancy and economic

⁶ The National Association for State Community Service Programs created a list of recommendation for weatherization workers, including basic infection-prevention measures, changes in how crews operate, and health screening questions before home visits. <https://nascsp.org/wp-content/uploads/2020/04/COVID-Considerations-for-Fieldwork.pdf>

activity. This approach would both meet program energy savings goals and provide jobs and a better footing for economic recovery.

3) The importance of expanding EE programs, particularly for low-income customers, to mitigate the long-term economic impacts of the COVID-19 pandemic.

Expanding access to comprehensive energy-efficiency upgrades is necessary to reduce the high energy burdens that are borne by many low- to moderate-income South Carolina households—which have only been exacerbated by the current pandemic and associated economic crisis. These upgrades would also improve households’ resilience in the face of future economic crises. In North Carolina, the Duke Energy shareholder-funded “Helping Home Fund” supplements the federally funded WAP to provide HVAC and other efficiency upgrades along with critical health and safety repairs. A similar program could be started in South Carolina.

As part of the South Carolina Energy Efficiency Roadmap (“SC EE Roadmap”) process, stakeholders are examining the potential for EE to mitigate the challenges posed by COVID-19. The South Carolina Energy Office launched the SC EE Roadmap process in October of 2019 to seize energy efficiency opportunities in the state. Facilitated by the Duke University Nicholas Institute, the Roadmap will review remaining energy efficiency recommendations from the 2016 Energy Plan, reassess according to current priorities, identify new opportunities, and develop next steps. Recommendations under consideration by the SC EE Roadmap stakeholders include the following:⁷

- Round Up Energy Fund: Customers who could afford to do so could choose to round up their bill payments to the nearest dollar; the “spare change” could be used as matching funds for existing, underfunded low-income efficiency programs, or placed into some other financial mechanism to fund energy efficiency programs and initiatives.
- One-Stop: This initiative would provide a single application for low-income residents to apply for services such as Low Income Home Energy Assistance Program (LIHEAP), Weatherization Assistance Program (WAP), and home rehabilitation. In addition to streamlining the application process, this would allow coordination of home assessments and assistance to minimize home visits and time that customers must take off from work. Information on energy-efficient practices and incentives should also be incorporated into this service.
- Expanded On-Bill Financing Programs: Improve the effectiveness and accessibility of creative EE financing programs—including on-bill tariffs or the use of third-party providers—across multiple sectors.

⁷ The Round Up, One Stop and On-Bill Financing recommendations emerged from, but are still under consideration by, the South Carolina Energy Efficiency Roadmap stakeholder process. The final Roadmap recommendations will be released in October of 2020. <http://energy.sc.gov/eeroadmap>

Conclusion

We thank the Commission for the opportunity to submit these comments regarding measures that can be taken to mitigate the impacts of COVID-19 crisis on utility customers. We look forward to participating in the May 27, 2020 virtual forum.

Respectfully submitted,
s/ Kate Lee
S.C. Bar No. 104478

cc: Parties of Record (via electronic mail)
David Butler, Hearing Officer (via electronic mail)